

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

The Financial Oversight and Management Board for Puerto Rico,

as representative of

The Commonwealth of Puerto Rico, *et al.*,

Debtors.¹

In re:

The Financial Oversight and Management Board for Puerto Rico,

as representative of

The Puerto Rico Electric Power Authority,

Debtor.

PROMESA

Title III

No. 17 BK 3283-LTS

PROMESA

Title III

No. 17 BK 4780-LTS

**Court Filing Relates Only to
PREPA and Shall Only be Filed
in Case No. 17 BK 4780-LTS and
Main Docket 17 BK 3283-LTS**

**AMENDED SIXTEENTH SUPPLEMENTAL VERIFIED STATEMENT OF
THE AD HOC GROUP OF PREPA BONDHOLDERS PURSUANT
TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rule 2019”), and the *Order Further Amending Case Management Procedures* (the Case Management Order) [Case No. 17-3283, Dkt. No. 20190], this amended supplemental verified statement (the “Amended Sixteenth Supplemental Statement”) is submitted by certain holders (the “Ad Hoc Group of PREPA Bondholders” or the “Ad Hoc Group”) of Power Revenue Bonds and Power Revenue Refunding Bonds (collectively, the

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

“Bonds” issued by the Puerto Rico Electric Power Authority (“PREPA”) under a trust agreement between PREPA and U.S. Bank National Association, as successor trustee, dated January 1, 1974, as amended and supplemented, in connection with the case (“PREPA Title III Case”) commenced by the above-captioned debtor on July 2, 2017 under Title III of PROMESA.

In support of the Amended Sixteenth Supplemental Statement, the Ad Hoc Group respectfully states as follows:

1. As of the date of this Amended Sixteenth Supplemental Statement, in this Title III Case, the undersigned represent the Ad Hoc Group (each holder in the Ad Hoc Group, a “Member”).

2. On or about June 26 and June 27, 2014, certain funds managed or advised by OppenheimerFunds, Inc. (“Oppenheimer”) and Franklin Advisers, Inc. (“Franklin”) retained Kramer Levin Naftalis & Frankel LLP (“Kramer Levin”) to challenge as unconstitutional the recently passed and soon to be enacted Puerto Rico Debt Enforcement and Recovery Act. Over the course of the next two months, certain holders of Bonds, including Franklin and Oppenheimer, contacted and then engaged Kramer Levin to represent a group of holders in connection with a potential restructuring of the Bonds. From time to time thereafter, certain additional holders of the Bonds have joined the Ad Hoc Group.

3. On August 2, 2017, counsel to the Ad Hoc Group submitted the *Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Bankruptcy Rule 2019* [Case No. 17-4780, Dkt. No. 164]. On November 7, 2017, counsel to the Ad Hoc Group submitted the *First Supplemental Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019* [Case No. 17-4780, Dkt. No. 407]. On December 13, 2017, counsel to the Ad Hoc Group submitted the *Second Supplemental Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019* [Case No. 17-4780, Dkt. No. 490]. On February 6, 2018, counsel to the Ad Hoc Group submitted the *Third Supplemental Verified Statement of the Ad Hoc Group of PREPA*

Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019 [Case No. 17-4780, Dkt.

No. 633]. On August 15, 2018, counsel to the Ad Hoc Group submitted corrected versions of the

Verified Statement, the Second Supplemental Verified Statement and the Third Supplemental

Verified Statement [Case No. 17-4780, Dkt. Nos. 939, 941 and 940, respectively]. On

September 11, 2018, counsel to the Ad Hoc Group submitted the *Fourth Supplemental Verified*

Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy

Procedure 2019 [Case No. 17-4780, Dkt. No. 959]. On November 29, 2018, counsel to the Ad

Hoc Group submitted the *Fifth Supplemental Verified Statement of the Ad Hoc Group of PREPA*

Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019 [Case No. 17-4780, Dkt.

No. 1037]. On May 10, 2019, counsel to the Ad Hoc Group submitted the *Sixth Supplemental*

Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of

Bankruptcy Procedure 2019 [Case No. 17-4780, Dkt. No. 1237]. On August 23, 2019, counsel to

the Ad Hoc Group Submitted the *Seventh Supplemental Verified Statement of the Ad Hoc Group*

of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019 [Case No. 17-

4780, Dkt. No. 1610]. On November 13, 2019, counsel to the Ad Hoc Group submitted the

Eighth Supplemental Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant

to Federal Rule of Bankruptcy Procedure 2019 [Case No. 17-4780, Dkt. No. 1735]. On

November 27, 2019, counsel to the Ad Hoc Group submitted the *Ninth Supplemental Verified*

Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy

Procedure 2019 [Case No. 17-4780, Dkt. No. 1789]. On January 21, 2020, counsel to the Ad

Hoc Group submitted the *Tenth Supplemental Verified Statement of the Ad Hoc Group of PREPA*

Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019 [Case No. 17-4780, Dkt.

No. 1871]. On March 3, 2020, counsel to the Ad Hoc Group submitted the *Eleventh*

Supplemental Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to

Federal Rule of Bankruptcy Procedure 2019 [Case No. 17-4780, Dkt. No. 1926]. On July 3,

2020, counsel to the Ad Hoc Group submitted the *Twelfth Supplemental Verified Statement of*

the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019 [Case No. 17-4780, Dkt. No. 2043]. On April 30, 2021, counsel to the Ad Hoc Group submitted the *Thirteenth Supplemental Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019* [Case No. 17-4780, Dkt. No. 2470]. On February 22, 2022, counsel to the Ad Hoc Group submitted the *Fourteenth Supplemental Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019* [Case No. 17-4780, Dkt. No. 2721]. On April 20, 2022, counsel to the Ad Hoc Group submitted the *Fifteenth Supplemental Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019* [Case No. 17-4780, Dkt. No. 2782] (the “**Fifteenth Supplemental Statement**”).² On February 23, 2023, counsel to the Ad Hoc Group submitted the *Sixteenth Supplemental Verified Statement of the Ad Hoc Group of PREPA Bondholders Pursuant to Federal Rule of Bankruptcy Procedure 2019* [Case No. 17-4780, Dkt. No. 3271] (the “**Sixteenth Supplemental Statement**”). Counsel to the Ad Hoc Group submits this Amended Sixteenth Supplemental Statement to update the disclosable economic interests currently held by Members of the Ad Hoc Group.

4. The Members of the Ad Hoc Group hold, or are the investment advisors or managers of funds or accounts that hold, approximately \$3.9 billion in aggregate principal amount of the uninsured Bonds, including approximately \$369.5 million in aggregate principal amount of Monoline Matured Bonds (as defined in Exhibit A hereto), and approximately \$206 million in aggregate principal amount of the insured Bonds, both as of February 16, 2023.³ In

² The Ad Hoc Group files this Amended Sixteenth Supplemental Statement to note that the Ad Hoc Group’s holdings in the Fifteenth Supplemental Statement were overstated. Certain amounts held by Syncora Guarantee, Inc. (“**Syncora**”), which is owned by funds managed by GoldenTree Asset Management LP, were inadvertently included twice, totaling approximately \$77 million in overstated holdings in the Fifteenth Supplemental Statement. Syncora’s holdings were not included in the Sixteenth Supplemental Statement, nor are they included in the Amended Sixteenth Supplemental Statement.

³ Funds managed by GoldenTree Asset Management LP own Syncora which has insured or owns claims relating to approximately \$178 million of PREPA bonds that are not included in the amounts listed in this Amended Sixteenth Supplemental Statement. Syncora’s holdings had been included previously in the Fifteenth Supplemental Statement.

accordance with Bankruptcy Rule 2019 and the Case Management Order, the address and nature and amount of all disclosable economic interests for each Member is set forth in Exhibit A. The information contained in Exhibit A is based upon information provided by the Members to Kramer Levin and is subject to change.

5. As of the date of this Amended Sixteenth Supplemental Statement, the undersigned represent only the Ad Hoc Group in connection with the PREPA Title III Case and does not represent or purport to represent any other entities with respect to PREPA's Title III Case. In addition, each Member of the Ad Hoc Group (a) does not assume any fiduciary or other duties to any other creditor or person and (b) does not purport to act, represent or speak on behalf of any other entities in connection with the PREPA Title III case.

6. Nothing contained in this Amended Sixteenth Supplemental Statement (or Exhibit A hereto) is intended to or should be construed to constitute (a) a waiver or release of any claims filed or to be filed against or interests in PREPA held by any Member, its affiliates or any other entity, or (b) an admission with respect to any fact or legal theory. Nothing herein should be construed as a limitation upon, or waiver of, any rights of any Member to assert, file and/or amend any proof of claim in accordance with applicable law and any orders entered in these cases.

7. The undersigned verify that the foregoing is true and correct to the best of their knowledge.

8. The undersigned reserve the right to amend or supplement this Amended Sixteenth Supplemental Statement.

I HEREBY CERTIFY that I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will notify case participants.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, February 24, 2023.

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